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SUBJECT: SEOUL - PRESS BULLETIN; October 1, 2009

TOP HEADLINES

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Chosun Ilbo, All TVs

Powerful Indonesia Quake Kills 120, Thousands Trapped;  
Death Toll Expected to Climb Sharply

JoongAng Ilbo

Citizens Enraged by "Light Sentence" Given  
to Heinous Child Rapist

Dong-a Ilbo, Seoul Shinmun

President Lee Urges Political Circles to Hurry  
to Redraw Electoral and Administrative Districts

Hankook Ilbo, Segye Ilbo

President Lee: "It is Time for Korea to Take Lead in Global Issues,  
Including N. Korea's Nuclear Issue"

Hankyoreh Shinmun

Contradictory Remarks by Ruling Camp Officials Add to Confusion over  
Controversial Sejong City Project

DOMESTIC DEVELOPMENTS

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President Lee Myung-bak, in a Sept. 30 special news conference at  
the Blue House, said that the ROK should present its own visions and  
perspectives regarding not only inter-Korean issues but also other  
international issues, taking a leading role. (All)

Deputy Secretary of State James Steinberg told reporters yesterday  
after a meeting with First Vice Foreign Minister Kwon Jong-rak at  
the Foreign Ministry in Seoul that there is no difference of opinion  
between the ROK and the U.S. over the ROK-proposed "grand bargain"  
on North Korea's nuclear issue. He also urged North Korea to seize a  
"tremendous opportunity" and return to the Six-Party Talks. (Chosun,  
JoongAng, Dong-a, Hankook, Segye, Seoul, all TVs)

The Deputy Secretary also said during an interview with JoongAng  
Ilbo that the sanctions against North Korea will remain in place  
until the North takes concrete, irreversible steps to eliminate

nuclear weapons. (JoongAng)

INTERNATIONAL NEWS

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In what could be viewed as North Korea's first official response to President Lee's "grand bargain" proposal, North Korea's Korean Central News Agency said yesterday that the nuclear matter is a bilateral issue with the U.S. and that the "grand bargain" proposal is an attempt to meddle between the North and the U.S. (JoongAng, Hankook, Hankyoreh, Segye)

Stephen Bosworth, the U.S. Special Representative for North Korea Policy, in a Sept. 28 interview hosted by the East Asia Forum, said: "There is no military solution in North Korea's nuclear issue," adding: "I will say that we are willing to restart the negotiation process." (JoongAng)

MEDIA ANALYSIS

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-N. Korea

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Most ROK media covered yesterday's press remarks by visiting Deputy Secretary of State James Steinberg, in which he said: "We've indicated that we're prepared to have direct engagement - bilateral

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engagement - with North Korea if it's in aid of bringing North Korea back into the Six Party Talks and recommitting to denuclearization. ... We hope that the North Koreans take advantage of that."

Deputy Secretary Steinberg was further quoted as saying during an interview yesterday with right-of-center JoongAng Ilbo: "The sanctions against North Korea will remain in place until the North takes concrete, irreversible steps to eliminate nuclear weapons."

Most media also noted Deputy Secretary Steinberg's remarks, "There is absolutely no difference in our perspective (between Washington's 'comprehensive approach' and the 'grand bargain' proposed by President Lee). What we need is a comprehensive and definitive resolution of the nuclear question. I think that's what President Lee Myung-bak was talking about, that's what we're talking about, so I think we are absolutely in sync on this." Most newspapers carried the identical sub-headlines: "Steinberg: 'There is No Bilateral Difference on Grand Bargain.'"

Most ROK media reported on North Korea's rejection yesterday of President Lee's "grand bargain" proposal on its nuclear issue, citing the North's Korean Central News Agency as insisting that the nuclear matter is a bilateral issue with the U.S. and that the "grand bargain" proposal is an attempt to meddle between the North and the U.S.

Right-of-center JoongAng Ilbo quoted Stephen Bosworth, the U.S. Special Representative for North Korea Policy, as saying in a Sept. 28 interview hosted by the East Asia Forum: "There is no military solution in North Korea's nuclear issue. Negotiations are the way forward. I will say that we are willing to restart the negotiation process."

With regard to China's recent indication of its intention to provide substantial aid to North Korea, conservative Chosun Ilbo editorialized: "If North Korea receives massive aid from China and rides out its economic emergency, the North would probably continue to develop nuclear weapons while outwardly engaging in talks (on its denuclearization.) ... If China does not want this to happen, it should provide aid to North Korea within the framework of international cooperation to deter the North's nuclear development."

FEATURES

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**STEINBERG: "WE ARE ABSOLUTELY IN SYNC ON THIS (GRAND BARGAIN)"**  
(Chosun Ilbo, October 1, 2009, page 4)

By Reporter Lim Min-hyuk

Deputy Secretary of State James Steinberg said on September 30, "We've lived through the history before of partial measures and reversible measures and what we need is a comprehensive and definitive resolution. I think we are absolutely in sync on this (grand bargain.)"

During a press interview with reporters following his meeting with ROK Vice Foreign Minister Kwon Jong-rak, Steinberg said, "We've discussed with our partners here in Japan, Moscow, and Beijing our common willingness to engage with North Korea. We're prepared to have direct engagement-bilateral engagement-with North Korea if it's in aid of bringing North Korea back into the Six-Party Talks."

The deputy secretary said, "We hope that the North Koreans take advantage of that (opportunity for bilateral talks.)" He added, "I think it's important for North Korea to make clear that it's prepared to engage on those terms and that, if we find that it's productive to pursue that direction, I think we're prepared to do it." Steinberg also noted, "We are deeply committed together, along with the other members of the Six-Party Talks, to convincing North Korea that they should return to the path of diplomacy through the Six-Party Talks and recommit to complete and irreversible

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denuclearization."

Earlier, Deputy Secretary Steinberg had a breakfast meeting with Kim Sung-hwan, Senior Presidential Secretary for Diplomacy and National Security and Wi Sung-lac, the ROK's Chief Delegate to the Six-Party Talks and discussed President Lee Myung-bak's "Grand Bargain" proposal and the timing and conditions for U.S.-North Korea bilateral talks.

**STEINBERG: "WE HOPE THAT THE NORTH KOREANS TAKE ADVANTAGE OF THAT (OPPORTUNITY FOR BILATERAL TALKS)"**  
(Dong-a Ilbo, October 1, 2009, page 2: Excerpts)

By Reporters Kim Young-shik and Shin Seok-ho

After a meeting with ROK Vice Foreign Minister Kwon Jong-rak at the Foreign Ministry, Deputy Secretary of State James Steinberg said on September 30, "The challenge now is for the North Koreans to understand that there is an opportunity to return to a more productive path."

Meanwhile, North Korea issued its first official reaction to President Lee Myung-bak's "Grand Bargain" proposal on September 30.

The North's Korean Central News Agency said that it is absurd (for the U.S.) to call on the North to give up its nuclear program when it remains hostile to Pyongyang.

**U.S. ENVOY: "SANCTIONS WILL REMAIN IN PLACE UNTIL NORTH KOREANS ELIMINATE NUCLEAR WEAPONS"**  
(JoongAng Ilbo, October 1, 2009, Front page)

By Senior Journalist Kim Young-hie

Deputy Secretary of State James Steinberg announced on September 30 that the U.S. will continue to implement UNSC Resolution 1874 sanctioning North Korea until the North takes concrete and irreversible steps to denuclearize (the Korean Peninsula.) Steinberg, a chief official in charge of the Obama Administration's North Korea policy, said that the U.S. will not even discuss easing sanctions before Pyongyang takes necessary steps.

During an exclusive interview with JoongAng Ilbo, the deputy secretary, who is on a tour of three Asian countries including the

ROK, China and Japan, said that diplomatic moves by the U.S. toward talks with North Korea definitely do not represent any shift in its position. He said that the U.S. is strictly enforcing UNSCR 1874 and will not back off. Deputy Secretary Steinberg noted that the U.S. believes that North Korea has recently made conciliatory gestures toward the ROK and the U.S. because sanctions are paying off and North Korea realizes that its current direction is isolating itself and undermining its security.

Deputy Secretary Steinberg said that there is no conceptual difference between the "grand bargain," which President Lee Myung-bak proposed in New York on September 16 as a new solution to the North Korean nuclear issue, and the Obama Administration's "package deal."

U.S. ENVOY: "THERE WILL BE NO COMPROMISE THAT TOLERATES NORTH KOREA'S NUCLEAR POSSESSION"  
(JoongAng Ilbo, October 1, 2009, Page 10)

By Senior Journalist Kim Young-hie

An interview with U.S. Deputy Secretary of State James Steinberg

Despite a very tight schedule for his seven-day trip to five Asian nations, U.S. Deputy Secretary of State James Steinberg did not look tired. During a September 30 interview held at the conference room

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of the U.S. Embassy in Seoul, he sounded firm regarding North Korea. Seemingly mindful of U.S. hard-liners' criticism that (the U.S.) is strung along by the North, he strongly emphasized that (the U.S.) has no intention of easing sanctions.

Q. There must have been efforts to coordinate between President Lee Myung-bak's "grand bargain" proposal and the Obama Administration's "package deal." How much progress has been made?

"They are all the same concept. We should take a different approach (on the nuclear issue) than in the past, whatever words you use to describe that. There is no difference about that among not only the ROK and the U.S. but also other Six-Party nations. We do not want a kind of forward and backward movement."

Q. Then, when President Lee put forward the grand bargain, why did the U.S. Department of State react coolly?

"That was not an accurate response."

Q. Did the idea of the grand bargain come out of the ROK-U.S. summit last June?

"Yes. As President Lee said, both nations agreed that a "piecemeal" approach to resolving the North Korean issue step by step should not be the case. The way of offering rewards to the North for incremental progress does not work properly."

Q. North Korean leader Kim Jong-il expressed intent to return to multilateral and U.S.-North Korea talks.

"So far, there have been various contacts between Chinese and North Korean officials by visiting each other. We will watch whether North Korea sincerely intends to return to dialogue."

Q. Do you think a breakthrough in the North Korean nuclear issue will be made at the upcoming ROK-China-Japan summit in Beijing?

"It is up to whether North Korea is ready to make a strategic decision. We are ready. The door is widely open for the North Koreans to walk in. They can rejoin the Six-Party Talks. In that case, we can discuss more specific details to reach the destination. Kim's strategic decision is required."

Q. What is the strategic decision?

"It is to recognize that North Korea is better off without nuclear weapons than with nuclear weapons. This is the key of the strategic decision. Then, a lot of things become possible."

Q. Do you think it will be helpful to North Korea's denuclearization to extend the currently effective sanctions against the North by another three or six months?

"We have made it clear that unless the North Koreans take steps toward denuclearization, we will not discuss withdrawing sanctions. Right now, what we want to talk to them about is not about sanctions. We agreed with other Six-Party countries to maintain UN Security Council Resolution 1874. There is no proposal to ease or end the current sanctions against the North."

Q. The "two-track" approach combining both sanctions and dialogue is being pursued in a balanced way. In what situation, will dialogue be given more weight?

"We are not going to, as in the past in some cases, give sanctions relief for talks. We need to take note of North Korea's recent moves. They launched missiles, conducted a nuclear test, and, on September 3, sent the UN Security Council a letter saying that they successfully conducted experimental uranium enrichment. Therefore, in order for the international community to lift the sanctions against the North, North Korea has much work to do."

Q. Then, why did you recently veer away from additional sanctions

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toward the pursuit of dialogue?

"We did not change course. We are firmly enforcing UNSC Resolution 1874, and we possess every means needed to do so. Several nations have already stopped North Korean vessels. Yesterday in Beijing, too, we discussed the implementation of UNSCR 1874. We also talked about this with the Malaysian Prime Minister."

Q. As a way to resolve the North Korean nuclear issue, do you consider tolerating North Korea's nuclear possession on the condition that it will not spread its nuclear programs?

"That is one of the few questions to which I can give a simple answer. The answer is 'No.' Such concern is groundless. We want North Korea's irreversible and complete denuclearization."

Q. Does the Iranian nuclear standoff have any impact on the North Korean nuclear issue?

"It has much influence. If we do not stand firm against the North, we could send the world a signal that we tacitly approve nuclear proliferation. Although the North Korean issue itself is important, we take much interest in the meaning that (the North Korean issue) carries in relation to the nuclear non-proliferation regime."

Q. Do you have a contingency plan for a "Big Bang" inside North Korea?

"Policymakers should consider various options. However, it is not appropriate to disclose the details."

STEPHENNS